

A. INTRODUCTION

The proposed actions would facilitate the redevelopment of the existing Lambert Houses buildings with an incremental increase of 934 affordable residential units, approximately 21,610 square feet (sf) of retail uses, and a new school of up to approximately 86,808 sf. According to the *CEQR Technical Manual*, the introduction of new residents to the Development Site has the potential to alter the socioeconomic conditions of the surrounding area. This attachment therefore examines the potential impacts of the proposed project on the socioeconomic character of the study area adjacent to the Development Site.

This analysis concludes that the proposed project would not result in any significant adverse impacts due to changes in socioeconomic conditions.

B. METHODOLOGY

BACKGROUND

Although changes in population, housing, and economic activity may not result in impacts under City Environmental Quality Review (CEQR), they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes are effectuated by the proposed development.

An assessment of socioeconomic impacts distinguishes between impacts on the residents and businesses in an area and separates these impacts into direct and indirect displacement for both of those segments. Direct displacement occurs when residents or businesses are involuntarily displaced from the site of the proposed project or sites directly affected by it. For example, direct displacement would occur if a currently occupied site were redeveloped for new uses or structures or if a proposed easement or right-of-way encroached on a portion of a parcel and rendered it unfit for its current use. In these cases, the occupants of a particular structure to be displaced can usually be identified, and therefore the disclosure of direct displacement focuses on specific businesses and a known number of residents and workers.

Indirect or secondary displacement occurs when residents, business, or employees are involuntarily displaced due to a change in socioeconomic conditions in the area caused by the proposed project. Examples include the displacement of lower-income residents who are forced to move due to rising rents caused by the higher-income housing introduced by a proposed project. Examples of indirect business displacement include higher-paying commercial tenants replacing industrial uses when new uses introduced by a proposed project cause commercial rents to increase. Unlike direct displacement, the exact occupants to be indirectly displaced are

not known. Therefore, an assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected.

Some projects may affect the operation and viability of a specific industry not necessarily tied to a specific location. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, the CEQR review process may involve an assessment of the economic impacts of the project on that specific industry.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

According to the 2014 *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and enumerated below that can lead to socioeconomic changes warranting further assessment.

The proposed actions would facilitate the demolition of the existing Lambert Houses buildings and the redevelopment of the Development Site with approximately 1,665 affordable residential units at the completion of the project, approximately 61,100 sf of retail, and a new school of up to approximately 86,608 sf. Absent the proposed actions (the No Action condition), the existing buildings and 731 residential units would remain in their current condition. Therefore, for purposes of environmental analysis, and as detailed in Attachment A, "Project Description," the proposed project would result in 934 new affordable residential units, 21,610 sf of new retail space, and a new school of up to approximately 86,808 sf as compared to the No Action condition; this incremental development is the subject of the socioeconomic conditions analysis.

1. Direct Residential Displacement: Would the project directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered? Displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.

The Development Site currently contains 731 affordable residential units housing an estimated 2,098 tenants. During construction of the proposed project, Phipps Houses would, at its own expense, relocate current tenants of buildings to be demolished to other locations within the Lambert Houses development or within nearby Phipps buildings, demolish the unoccupied buildings, and then construct new buildings. Tenants would then be relocated to the newly constructed buildings. While tenants would be temporarily relocated during the construction period, their relocation would be within the Development Site. Further, there would be no permanent displacement, as tenants would be housed within the Development Site upon completion of the proposed project. Therefore, no further assessment of direct residential displacement is warranted.

2. Direct Business Displacement: Would the project directly displace more than 100 employees, or would the project directly displace a business whose products or services are uniquely dependent on its location, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on its services in its present location? If so, assessments of direct business displacement and indirect business displacement are appropriate.

The Development Site currently contains 39,490 sf of commercial uses, which largely consist of neighborhood retail establishments, including a pharmacy, a dry cleaner, and a Pioneer supermarket. With the proposed project, an additional 21,610 sf of retail uses would be introduced to the Development Site. However, due to the proposed construction phasing, as well as the nature of the proposed project, it is expected that most of the businesses currently operating within the Development Site would be displaced. Phipps would offer replacement space for the existing supermarket, which would be temporarily displaced by construction activities.

Using a standard employment multiplier of 400 sf per employee, the businesses within the Development Site employ approximately 99 workers, which is less than the 100-employee threshold described by the *CEQR Technical Manual*. The businesses that could be displaced do not provide products or services that would not be available from other businesses within the surrounding neighborhoods; further, it is expected that the new commercial uses that would be introduced by the proposed project would also be neighborhood retail establishments that would provide a similar mix of products and services to the existing businesses. As a result, there would be no permanent direct displacement associated with the development of the proposed project, and there would be no displacement of any businesses whose products or services are uniquely dependent on their locations. As a result, further assessment of direct business displacement is not warranted.

3. ***Indirect Displacement due to Increased Rents: Would the project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, assessments of indirect residential displacement and indirect business displacement are appropriate.***

The proposed project would introduce a residential use in excess of 200 units at the project site; therefore, an assessment of potential indirect residential displacement is warranted. The proposed project would not introduce commercial uses in excess of 200,000 sf; therefore, an assessment of potential indirect business displacement is not warranted.

4. ***Indirect Business Displacement due to Retail Market Saturation: Would the project result in a total of 200,000 sf or more of retail on a single development site or 200,000 sf or more of region-serving retail across multiple sites? This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.***

The proposed project would not introduce retail uses in excess of 200,000 sf; therefore, an assessment of potential indirect business displacement due to retail market saturation is not warranted.

5. ***Adverse Effects on Specific Industries: Is the project expected to affect conditions within a specific industry? This could affect socioeconomic conditions if a substantial number of workers or residents depend on the goods or services provided by the affected businesses, or if the project would result in the loss or substantial diminishment of a particularly important product or service within the City.***

The proposed project would not result in development warranting further assessment of direct or indirect business displacement; therefore, an assessment of adverse effects on specific industries is not warranted.

Based on the screening assessment presented above, the proposed project warrants an analysis of indirect residential displacement.

STUDY AREA DEFINITION

Based on guidance from the *CEQR Technical Manual*, a ½-mile socioeconomic study area was selected for this analysis. Because the analysis examines population and income data that are only available on the Census tract-level, the ½-mile study area was drawn according to tract boundaries; as a result, the ½-mile study area includes Bronx County Census tracts 60, 62, 161, 218, 220, 240, 359, 361, 363, 365.01, 365.02, 367, and 371, and encompasses the area roughly bounded by Unionport Road and Fillmore Street to the northeast, St. Lawrence Avenue to the east, East 173rd Street to the south, Prospect Avenue to the west, and Bronx Park South to the northwest (see **Figure 3-1**). The study area is generally within the West Farms neighborhood. The total population of the study area, according to the American Community Survey's (ACS) 2009-2013 five-year estimates, is 52,234¹, and the population expected to be added by planned development projects within the study area by the 2019 analysis year (as described in Attachment B, "Land Use, Zoning, and Public Policy") is 8,366 residents.² As a result, the total residential population of the study area as analyzed is 60,600.

DATA SOURCES

Population and income data were obtained from the U.S. Census Bureau's 2009–2013 American Community Survey (ACS) and 2000 Census.

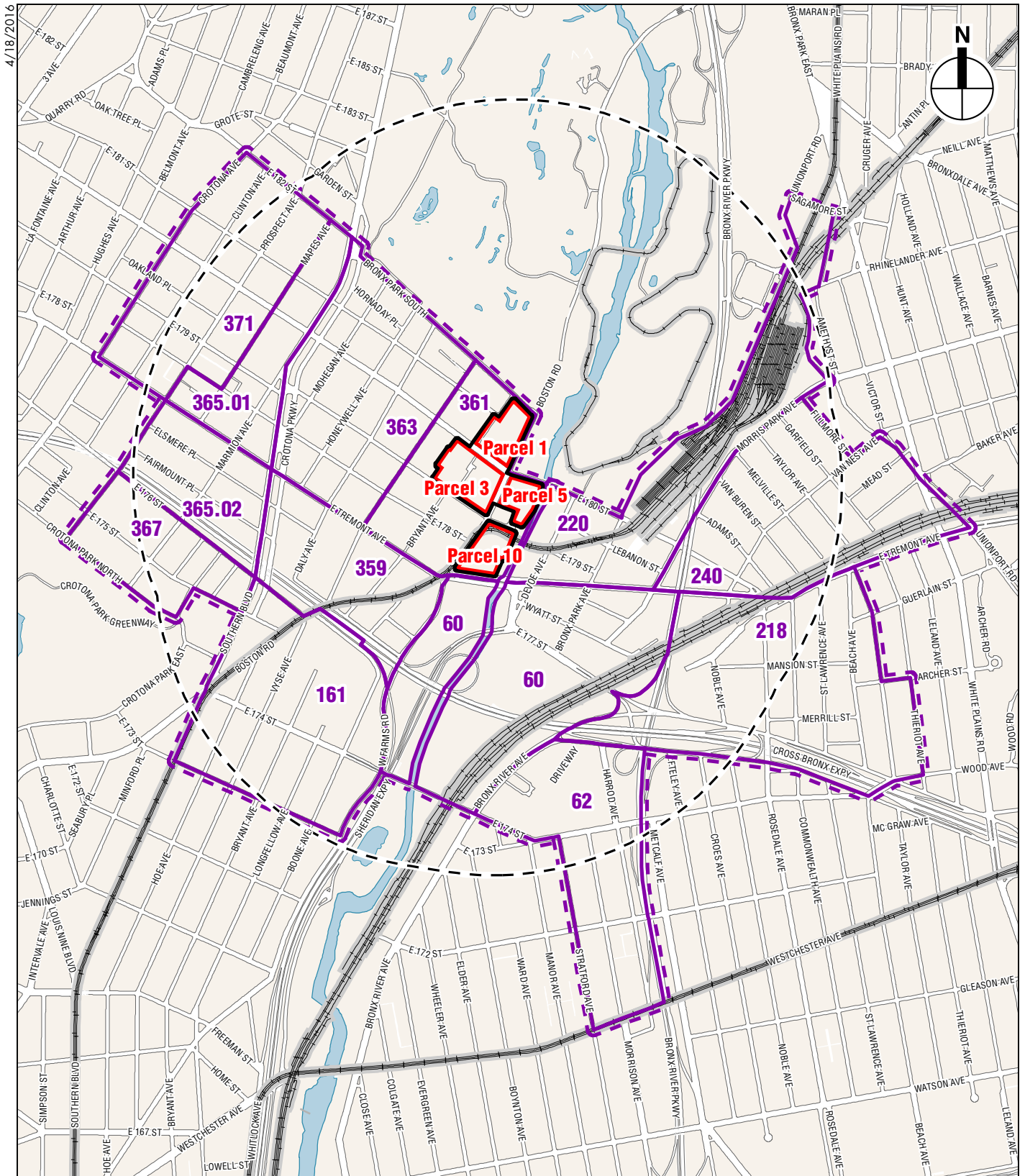
C. INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which causes increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing residents to remain in their homes.

The assessment aims to determine whether the proposed project would either introduce a trend or accelerate an existing trend of changing socioeconomic conditions that may have the potential to displace a residential population living in units not protected by some government regulation

¹ The ACS collects data throughout the five-year period on an ongoing, monthly basis and asks for respondents' income over the "past 12 months." The 2009–2013 ACS data therefore reflects incomes between 2008 and 2012, while 2010 Census data reflects income over the prior calendar year (2009).

² The average household size for Bronx Community District 6—2.87 persons per household—was applied to the number of residential units to be constructed by planned projects in the study area.



- Development Site
- Proposed Development Parcel
- Half-mile boundary
- Socioeconomic Study Area Boundary
- Census Tracts

0 2,000 FEET

restricting rents and/or substantially change the socioeconomic character of the neighborhood. This assessment follows the step-by-step guidelines of the *CEQR Technical Manual*.³

1. *Determine if the expected average incomes of the new population would be higher than the average incomes of the existing population and any new population expected to reside in the study area in the future without the proposed project.*

Household incomes are low in the study area, reflecting the high concentration of New York City Housing Authority (NYCHA) developments and other low-income housing. As shown in **Table 3-1**, the median household income in the study area was \$22,402 in 2009-2013, which is less than half the median household income of New York City, and about 35 percent less than the Bronx-wide median.

Table 3-1
Median Household Income (1999, 2009–2013)^{1,2}

Area	1999	2009-2013	Percent Change
Study Area ²	\$27,268	\$22,402	-17.8%
Bronx	\$40,748	\$34,793	-14.6%
New York City (Median)	\$56,320	\$52,801	-6.2%
Notes: 1. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondents' income over the "past 12 months." The 2009–2013 ACS data therefore reflects incomes over 2009 and 2013, while Census 2000 data reflects income over the prior calendar year (1999). 2. The average household income for both time periods is presented in 2015 dollars using an average of the U.S. Department of Labor's March 2015 Consumer Price Index for the "New York-Northern New Jersey-Long Island Area." 3. Average household income for the study area was estimated based on a weighted average of mean household income for the Census tracts in the study area. Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2009-2013 American Community Survey; U.S. Department of Labor Bureau of Labor Statistics; AKRF, Inc.			

Since 1999, the median household income in the study area has decreased by nearly 18 percent (in inflation-adjusted dollars), a greater decline than that seen in the Bronx and New York City as a whole (see **Table 3-1**).

A breakdown of income distribution further illustrates the proportion of low-income households within the study area, particularly as compared to the rest of New York City. As shown in **Table 3-2**, 54 percent of households earn less than \$25,000 per year, while nearly 77 percent earn less than \$50,000 per year. As described above, the household income distribution in the study area reflects the substantial presence of public housing and other rent-protected affordable units, including Lambert Houses itself, as well as other rent-regulated developments, such as West Farms and Twin Peaks.

³ According to the *CEQR Technical Manual*, the indirect residential displacement assessment should be conducted in a step-by-step approach: i.e., if the Step One analysis indicates that the proposed project has the potential to cause an impact, then the assessment should proceed to Step Two, and so on.

Table 3-2

Household Income Distribution (1999, 2009–2013)

Area	Less than \$25,000		\$25,000–\$50,000		\$50,000–\$100,000		\$100,000– \$150,000		\$150,000 or more	
	1999 ¹	2009– 2013	1999	2009– 2013	1999	2009– 2013	1999	2009– 2013	1999	2009– 2013
Study Area	60.1%	54.1%	25.0%	22.7%	12.7%	17.6%	1.5%	4.7%	0.9%	1.0%
Bronx	46.0%	39.3%	27.2%	24.6%	20.8%	24.3%	4.3%	7.8%	1.8%	4.0%
New York City	34.9%	27.2%	25.8%	20.9%	25.8%	26.6%	7.8%	12.6%	5.9%	12.7%

Notes:
 1. 1999 data has not been adjusted for inflation.
 2. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondents' incomes over the "past 12 months." The 2008–2012 ACS data therefore reflects incomes over 2008 and 2012, while Census 2000 data reflects income over the prior calendar year (1999).
Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2008–2012 American Community Survey.

The proposed project would result in the construction of 1,665 new affordable housing units (934 new affordable housing units, as compared to the No Action condition). The maximum rent levels that could be achieved at these new affordable units represent household incomes that could exceed those currently seen in the study area. However, as described earlier, all of the proposed new units would be affordable; as a result, the rent paid by new tenants would not exceed 30 percent of their household income. Therefore, on average throughout the redeveloped Lambert Houses, the proposed new units would have rent levels that serve a population with incomes similar to those currently residing within the surrounding community.

CONCLUSION

Residents within the ½-mile socioeconomic study area have lower incomes than the Bronx- or City-wide medians, and the study area is characterized by a substantial affordable housing stock. All of the proposed new residential units would be affordable; it is expected that the new units constructed with the proposed project, as well as the new population those units would introduce to the study area, as a whole would generally be similar to the existing income profile of the surrounding neighborhood. Further, the study area currently contains a high concentration of rent-regulated units whose tenants are not vulnerable to indirect residential displacement. The residential population within the study area who currently occupy rent-protected affordable housing units would not be adversely affected by the introduction of new housing units.

Therefore, the proposed project is not expected to introduce or accelerate a trend of changing socioeconomic conditions or displace a population of renters living in units not protected by government regulations restricting rents. According to *CEQR Technical Manual* guidelines, further analysis is not warranted, and the proposed project would not result in any significant adverse impacts due to indirect residential displacement. *